

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 3022 - HB 3665

February 14, 2012

SUMMARY OF BILL: Deletes the current requirement that an applicant seeking a job in housing facilities owned or operated by the higher education institution bear the cost of the criminal history records check. Removes the current option of TBR employees to elect to receive a separate longevity check beginning July 1, 2013. Exempts TBR, the Board of Trustees for the University of Tennessee (UT), and the Tennessee Higher Education Commission (THEC) from the current statutory requirement that a statement of determination be filed with the Secretary of State's office when a physical quorum for a board meeting will not be met and members participate by electronic means. Exempts public colleges and universities from submitting an annual plan to the Comptroller of the Treasury regarding reduction in use of petroleum products in motor vehicles.

ESTIMATED FISCAL IMPACT:

On February 12, 2012, a fiscal note was issued for this bill with a fiscal impact of *Increase State Expenditures - \$16,600*. Based on additional information received from the Tennessee Board of Regents, the fiscal impact was in error and has been corrected.

(CORRECTED)

Increase State Expenditures - \$16,600/Recurring

**Decrease State Expenditures - \$208,800/One-time/Cost Avoidance
\$31,320/Recurring/Cost Avoidance**

Assumptions:

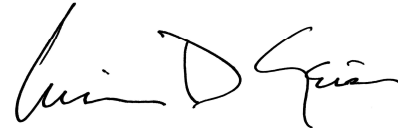
- In the fall of 2011, 581 background checks (352 TBR and 229 UT) were performed on applicants for employment in college or university operated housing facilities.
- The cost per background check is \$28.50.
- The cost for background checks will no longer be paid by the applicant but by the public college or university. The increase in state expenditures for background checks will be \$16,558 (581 x \$28.50).
- Currently, TBR employees are prohibited, until July 1, 2013, from electing to receive a separate longevity check.
- Longevity checks for TBR employees will remain a single check.

SB 3022 - HB 3665 (CORRECTED)

- Removing the separate longevity check option will result in a cost avoidance to TBR since any anticipated expenditures to make changes to the Banner payroll management component would not have been incurred until FY12-13.
- The one-time cost avoidance in FY12-13 will be \$208,800, which is based on 1,160 hours of work for Banner changes by an outside vendor at a labor rate of \$180 per hour.
- The recurring cost avoidance will be \$31,320, which is TBR's estimate for recurring maintenance on the Banner system as a result of the changes in longevity pay.
- Implementation will also result in a decrease in payroll staff time at TBR institutions to issue separate paychecks and run a separate payroll that would have been implemented in FY13-14.
- The increase in state expenditures for background checks and the cost avoidance are not netted against each other because the cost avoidance is not currently being incurred.
- Any decrease in state expenditures to exempt TBR, the UT Board of Trustees, and THEC from filing quorum reports with the Secretary of State will be not significant.
- Any decrease in state expenditures to exempt public colleges and universities from filing an annual petroleum reduction plan will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/msg